

1986

SUMMARY REPORT
ABO PROPERTY
N.T.S. 92 H 5
Harrison Hot Springs, B.C.

880245

1. Main Target of the Program.

Exploration on the ABO Property, 148 km east of Vancouver, (Figure 1) indicates the property has potential for one or more large tonnage, low grade gold deposits amenable to low cost underground mining methods.

2. Property Name.

ABO, previously known as RN.

3. Location, Access, and Mining Division.

The property is located in the New Westminster Mining Division (92 H 5), at the southeastern corner of Harrison Lake, 4.5 km northeast of the Village of Harrison Hot Springs, B.C. Access is by paved road from Vancouver, B.C. to the western edge of the property and then by a network of 4 wheel drive gravel roads.

4. Number and Type of Claims.

The property consists of the RN, MB1, FF and the HOT 1-8 mineral claims (11 claims, 143 units).

5. Brief details of option agreements.

The RN, MB1 mineral claims are subject to an agreement dated February 11, 1983, between Robert P. Pincombe, Bruce H. Williams and ABO Oil Corporation. The RN, MB1, FF and HOT 1 to HOT 8 mineral claims are also subject to an agreement dated November 14, 1984 between ABO Oil Corporation and Kerr Addison Mines Limited.

6. Regional and Local Geology.

The ABO Property is located on the southeastern side of Harrison Lake on the junction between the Coast and Cascade Mountain systems. The geology in the area is typical of the Cascade System with an axial core of gneiss and granitic rocks flanked on east and west by belts of folded and faulted (but little metamorphosed) sedimentary and volcanic rocks of late paleozoic to mid Cretaceous age.

The property is underlain by three different rock units:

- 1) Lower Pennsylvanian to Lower Permian, Chilliwack Group pelites, sandstones and minor conglomerates;
- 2) Upper Jurassic, Mysterious Creek Formation black argillite and
- 3) Mid Tertiary granitic stocks related to the Hicks Lake stock. (to the east)

The Au mineralization is believed to have developed through micro-faulting and fracturing of the brittle sub-vertical, plug shaped quartz diorite stocks followed by the injection of gold bearing quartz solutions along the fractures.

7. Current status of exploration with highlights of results to date.

Between 1973 and 1981 a 10 to 40cm thick pyrrhotite-quartz vein which contained visible gold was mined on a small scale in the RN Claim. The smelter return from 642 tonnes of mined

quartz vein was 47.3 gm/Tonne. The average of 8 drill core intersections of the vein mined underground was 4.8 gms/Tonne.

In 1982 and 1983 A & M Exploration, working for ABO Oil Corporation, conducted geological mapping, soil sampling, diamond drilling (8487 ft. or 2587.5 m in 27 holes during 1983), and an EM Survey. In 1984 ABO Oil Corporation diamond drilled 2472.8 feet or 753.9 meters in 7 holes, including two extensions. In 1985 extensive mapping and sampling of the ABO Property as well as a diamond drilling program (833.5 meters) in 5 holes including one extension was undertaken by Kerr Addison Mines Limited, to outline one or more large tonnage, low grade gold deposits amenable to low cost underground mining methods.

The 1986 exploration field work started on February 12 and to May 21 we have diamond drilled 1996.7 meters of a proposed 2030 meters. Assaying is in progress. The original exploration on the property was directed towards narrow high grade gold bearing quartz veins. Kerr Addison Mines Ltd. optioned the property with a view to outlining 3 to 5+ million tonnes, grading 2 to 4 gm/tonnes of underground bulk mineable material. Several intersections to date, especially in the Jenner apophysis, have encouraged us that such a deposit exists.

Examples of some intersections are tabulated below:

DDH	From Meters	To Meters	Interval Meters	Averaged Assays gm/tonne Au
84-28	0	64	64	3.77
84-29	0	40	40	4.56
84-30	0	30	30	2.74
85-35	0	16	16	4.70
85-36	40	142	102	3.54
85-37	148	164	16	2.23
85-38	151	189	38	1.41
86-39	5	86	81	2.04
86-40	87	104	17	2.01
86-41	28	35	7	4.02
86-42	27	50	23	3.71
86-46	10	52	42	3.52
86-47	43	60	17	3.20
86-48	3	27	24	5.28
86-49	4	34	30	2.58
86-50	37	58	21	2.91

8. Recommended Work Program.

The main thrust of the 1986 program will be to outline the available tonnage and grade of the gold zone(s) previously intersected in the Jenner Stock.

During 1986 we plan to diamond drill 2030 meters in 15 holes from 5 sites, continue the check assay study, metallurgical bench testing in conjunction with check assaying, engineering and environmental evaluation of potential portal sites for underground exploration and bulk sample collection and for pilot plant location,

3 QUARTZ DIORITE



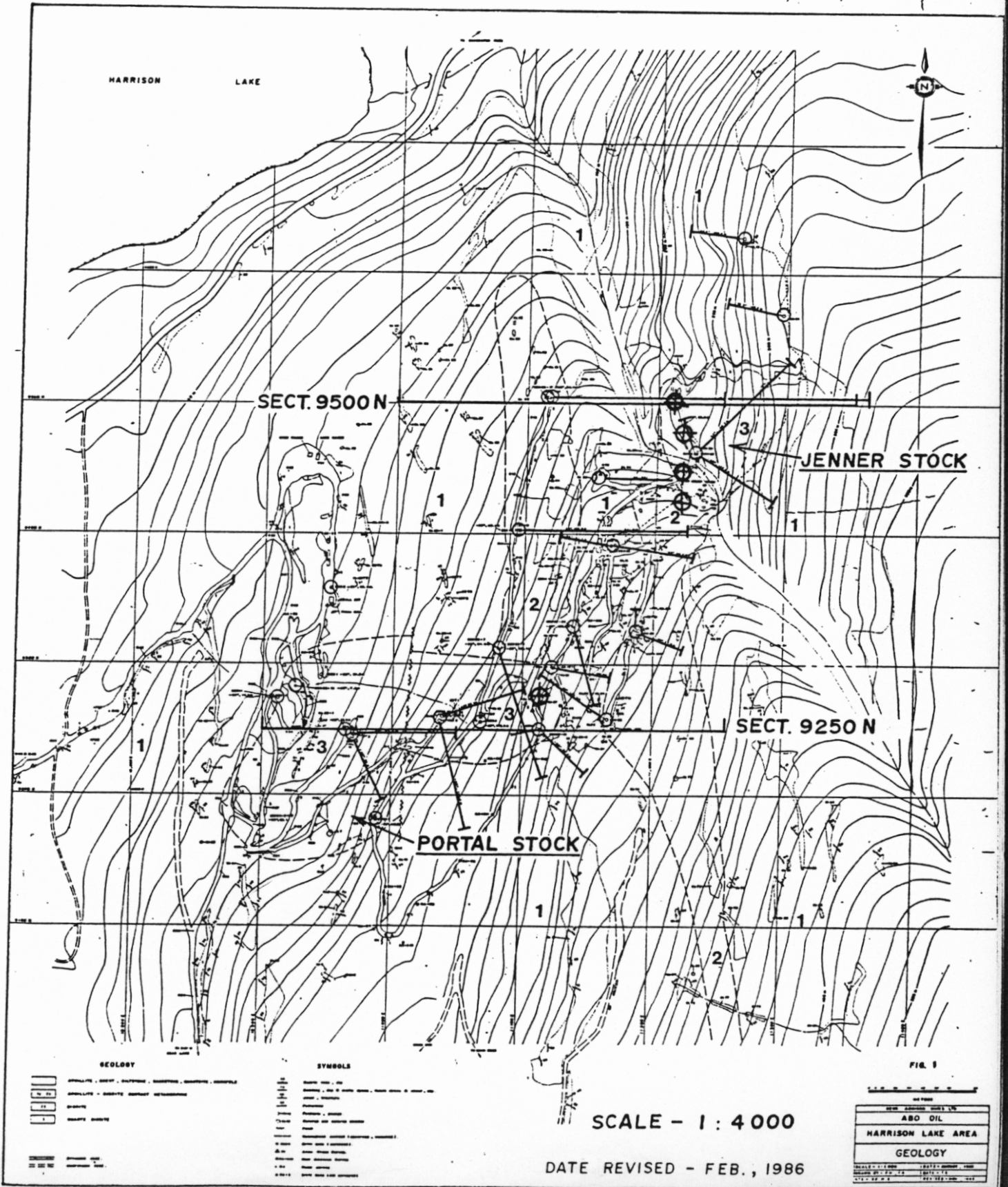
1986 DIAMOND DRILLING.

2 DIORITE



1983-84-85 " "

1 SEDIMENTS



detailed sampling of at least two other quartz diorite apophyses with anomalous gold values, and additional mapping and/or remapping of the remainder of the claim block. Due to the extreme nugget effect we feel the drilled grade does not necessarily reflect the true grade of the stock. Therefore the next stage of the program will be to carry out metallurgical testing, collect a bulk sample and run a pilot plant test.

Kerr Addison Mines have approved a budget of \$250,000 for the 1986 exploration on this project and we hope to obtain additional financing of \$82,500 from the B.C. Government F.A.M.E. program which would bring out total budget for the year to \$332,500.

9. Estimated start date of the Program.

The 1986 exploration started on January 2 and the field work started on February 11, 1986.

10. Estimated Completion Date of Program.

The initially budgeted \$250,000 will be expended by the end of June, with some reserves for report writing and filing fees. If additional financing is obtained we plan to continue field work until at least November 15 and data analysis and compilation until the end of 1986.

Respectfully submitted,

A. D. Clendenan
A. D. Clendenan, P. Geol.
(Alberta), FGAC
ASSOCIATION OF CANADA
A. D. CLENDENAN
FELLOW

Vancouver, B.C.
May 22, 1986.

11. Bibliography of Published and Unpublished Reports.

- Allen, D.G. and
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Province of
British Columbia
Ministry of
Energy, Mines and
Petroleum Resources

FORM 1

APPLICATION FOR FUNDING

OFFICE USE ONLY
E110

INSTRUCTIONS:

Please type or print
Please identify program being applied for
Please submit completed forms to:
Manager, EXPLORATION BRITISH COLUMBIA, Mineral Resources Division,
Ministry of Energy, Mines and Petroleum Resources, Parliament Buildings, Victoria, B.C. V8V 1X6

- Accelerated Mine Development Program
 Mineral Exploration Incentive Program

Date of Application

May 26, 1986

LOG NO: 05-29	MGE-F 26
ALTERN:	
FILE NO:	

Applicant's Identification and Location
Name

KERR ADDISON MINES LIMITED

Address - Street Number and Name, Apt. No.

703-1112 W. Pender Street

Telephone No.
682-7401

City, Town, Village

Vancouver

Province

British Columbia

Postal Code

V | 6 | E | 2 | S | 1

Head Office Location

Address - Street Number and Name

Suite 3970- Commerce Court west, P.O. Box 91

Telephone No.

City, Town, Village

Toronto

Province

Ontario

Postal Code

M | 5 | L | 1 | C | 7

Mailing Address (if different from above)

Address - Street Number and Name

Telephone No.

City, Town, Village

Province

Postal Code

Source of Funding

Attach copies of Agreements and Proof of Funding

Attach Names and Addresses of principals and corporate data (where applicable). Attach list if space is insufficient.

KERR ADDISON MINES LIMITED

Previous Expenditures by Applicant on this property \$

Pre 1984 \$
1984-85 \$ 14,610.
1985-86 \$ 203,389.
TOTAL \$ 217,999.

1986-87 Exploration Budget \$ 5,700,000.

Percentage of Total Budget to be spent in B.C. 12 %

Principal Business Activity

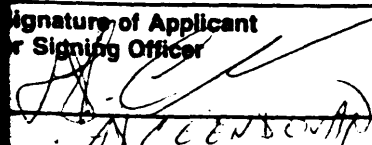
MINING

Public Private

Directors and Officers

Attach a list showing position title and name See attached May 2, 1986 Annual Meeting Report

Signature of Applicant
or Signing Officer



Name (print)

A. D. Clendenan

Position Title or Occupation

Project Geologist